

BOARD OF AGRICULTURE, TRADE AND CONSUMER PROTECTION MINUTES

November 14, 2012

The Board of Agriculture, Trade and Consumer Protection met on November 14, 2012, at the Department of Agriculture, Trade and Consumer Protection, 2811 Agriculture Drive, Board Room Madison, WI. The meeting was preceded by public notice as required by s. 19.84, Stats.

Call to Order

Board Chair Andy Diercks called the meeting to order at 9:07 a.m.

Members Present

Michael Dummer, Miranda Leis, John Koepke, Andy Diercks, Mark Schleitwiler, Richard Cates, Margaret Krome and Pam Garvey. Enrique Figueroa was absent.

Minutes

Motion

John Koepke made a motion to approve the September 12, 2012, Board minutes. Second by Michael Dummer. Motion approved unanimously.

2012 Leopold Conservation Award

Secretary Ben Brancel, Aldo Leopold Foundation Board Member Stan Temple and Wisconsin Farm Bureau President Bill Bruins presented the 2012 Leopold Conservation Award.

The Leopold Conservation Award (presented by the Sand County Foundation, in partnership with the Wisconsin Farm Bureau) is a competitive award that recognizes landowner achievement in voluntary conservation, inspires other landowners through their example, and helps the general public understand the vital role private landowners can and do play in conservation success. In 2012, the Sand County Foundation will also present Leopold Conservation Awards in California, Colorado, Nebraska, South Dakota, Texas, Utah and Wyoming.

This year, four Wisconsin farm families were identified as finalists to receive the third Leopold Conservation Award. The award recipient receives an Aldo Leopold crystal and a check for \$10,000. The finalists include:

- Jim and Valeria Hebbe, Green Lake County: The Hebbes raise 1,100 acres of corn, soybeans, wheat and alfalfa under a no-till operation.
- Justin and Lynn Isherwood, Portage County: The Isherwoods specialize in the production of vegetables, potatoes and grain on 1,500 acres.
- Steve and Patricia Klug, Jackson County: The Klugs utilize a managed intensive grazing system on their dairy farm.
- Mark Riechers, Lafayette County: Mr. Riecher and his son produce beef, corn and soybeans on their farm.

This year's award recipient is Jim and Valerie Hebbe. The Hebbes operate a cash grain farm in Green Lake county. Jim began farming in 1983 and currently farms 1,100 acres, producing corn, soybeans, wheat, and alfalfa. The Hebbe's farm is no-till and they have implemented numerous conservation systems that complement each other and have lead to less erosion and more residue cover on the land.

Previous award recipients include the Bragger family from Buffalo county and the Koepke family from Waukesha county.

Public Appearances

Pete Hardin, Brooklyn, WI, spoke to the Board in regards to two formal complaints he filed with the Division of Food Safety. Hardin said state and federal laws were being violated by Weyauwega Cheese of Sun Prairie by mislabeling their smoked gouda cheese product. Hardin asked the Board to monitor the investigation and assure proper penalties are enforced.

ATCP 127 – Telephone Solicitations; No-Call and No-Text list (Final Draft)

Michelle Reinen, Trade and Consumer Protection Division, asked the Board to approve a final draft of a proposed rule to amend ch. ATCP 127, related to telephone solicitations and the no-call and no-text list. This rule implements 2011 Wisconsin Act 197, which modified the Wisconsin no-call program to include commercial text messages.

The Wisconsin no-call program was established by statute in 2001 and the department promulgated ch. ATCP 127 in 2002. Telephone solicitors are prohibited from calling residential customers on the state no-call list. There are exceptions for calls made to current clients and for calls made on behalf of non-profit and political organizations. Solicitors are required to register with the department and pay an annual or quarterly fee to solicit residential customers located in Wisconsin.

The department held one public hearing on this rule, and there were no attendees. One written comment was received from Wisconsin Wireless in favor of the proposed rule.

Motion

Margaret Krome made a motion to approve the final draft rule. Second by Mike Dummer. Motion approved unanimously.

ATCP 75 – Retail Food Establishments (Final Draft)

Steve Ingham and Peter Haas, Food Safety Division, asked the Board to approve a final draft of a proposed rule to amend ch. ATCP 75, related to retail food establishments. This rule updates the Wisconsin Food Code (in the Appendix to ch. ATCP 75) to be consistent with the 2009 edition of the Model Food Code issued by the United States Food and Drug Administration.

The Department of Health Services (DHS) is proposing an identical version of the department's food code in an appendix to their administrative rule relating to restaurants, so that the same rules will also apply to the restaurants. This rulemaking is a joint effort by the department and DHS to maintain consistent and up-to-date standards for all retail food operations. The department and DHS coordinate their licensing and inspection activities so there is no regulatory overlap.

The department and DHS held three joint public hearings. A total of six people either testified at the hearings or submitted written comments. Of those, four people registered in support of the rule, one person testified in support of the rule, but found the new name conventions confusing, and one submitted written comments in support of the rule, but proposed several questions. Two written comments were received in general support of the rule.

Motion

Richards Cates made a motion to approve the final draft rule. Second by Mike Dummer. Motion approved unanimously.

ATCP 55 – Interstate Meat Shipments (Final Draft)

Steven Ingham and Cindy Klug, Food Safety Division, asked the Board to approve a final draft of a proposed rule to amend ch. ATCP 55, meat and meat food products. This rule is needed in order to adopt federal regulations to meet requirements for participating in a federal program that will allow certain selected Wisconsin state-inspected meat plants to sell their products in interstate commerce.

Wisconsin operates the nation's largest state meat and poultry inspection programs, with more than 270 official licensed establishments. Twenty-seven states currently operate state meat and poultry inspection programs. The department estimates that 17 plants will participate in the voluntary program within the first year, with more plants joining the program over time.

This rule will revise ch. ATCP 55 to incorporate by reference regulations creating the Cooperative Interstate Shipment (CIS) program and specify practices that ensure the state program operates the “same as” the federal program in plants selected for the CIS program. The department held three public hearings and no one attended. The department received one written comment from USDA related to clarification of regulations governing slaughter and processing of ratites and the implementation of recall plans by establishment operators. In response to the USDA comments, technical changes were made to the list of federal regulations cited in the hearing draft.

Motion

Pam Garvey made a motion to approve the final draft. Second by Mark Schlietwiler. Motion approved unanimously.

Wisconsin Agricultural Statistics Services (WASS)

Bob Battaglia, State Statistician, updated the Board on the following:

- Prices Received by Farmers:
 - Milk prices increased from \$20.80 per hundredweight in September to \$22.40 per hundredweight in October.
 - Cheese production grew 4 percent for Mozzarella, and 3 percent for cheddar from August.
 - Commercial red meat production is down from last year.
 - Corn yield is projected to be down 2 bushels from last month and production is expected to be down 17 percent from last year. This year’s yield of 125 bushels per acre is the state’s lowest since 1996.
 - Soybean projections are 39.0 bushels per acre, unchanged from last month, but down 7.5 bushels from last year. This year’s yield would be the state’s lowest since 2008.
 - Potato crops are expected to yield 455 hundredweight per acre, 40 hundredweight above last year. This is the second highest yield on record after 2009.
 - Alfalfa hay sold for \$140 per ton, \$5 higher than July.
 - Other hay sold for \$95 per ton, unchanged from July.
- Summary of the Organic Survey: In 2011, Wisconsin’s certified organic farms sold a total of \$132 million in organically produced commodities, including \$27.7 million in crops sales and \$105 million in sales of livestock, poultry and their products. Average sales were \$158,821 per farm.
- The Census of Agriculture Questionnaire is scheduled to be mailed December 14, depending upon budget approval. Mailing of the questionnaire costs approximately \$6 million.
- A summary of the Wine Makers Survey is currently underway.

- A summary of the Export Assistance Survey is currently underway.
- Reorganization plans of the WASS office have not yet been received from USDA.

Conservation Engineering Update (Report)

Todd Boehne and Seth McClure, Agricultural Resource Management Division, updated the Board on Conservation Engineering services provided by the Conservation Engineering Unit to landowners and local government units in the state.

The report focused on activities performed in 2010-2012 to support the modernization of dairies and meet the needs of other rural landowners. In 2011, the program was involved in approximately 500 of the estimated 2,500 conservation practices installed, and it supported modernization of both small and large dairy farms which provides greater environmental safeguards.

The report highlights key accomplishments in the program including improved delivery of services, select contributions by staff on specific projects and support for drainage boards provided by the state drainage engineer. A drainage district is a local government district for draining farmland and is regulated by a drainage board appointed by the county circuit court. There are 176 active drainage districts in the state.

Small Business Regulatory Review Board (Report)

David Meany, Chief Legal Counsel, updated the Board on the roles and responsibilities of the Small Business Regulatory Review Board (SBRRB). SBRRB is an independent board that consists of 7 representatives of small business appointed by the Governor and is attached to the Department of Administration. The Board also includes one senate and one assembly member.

2011 Wisconsin Act 46 updated the membership and enlarged the role of the SBRRB as it relates to the review of administrative rules that affect small businesses. Executive Order 61 was issued in February, 2012, and required all state agencies to cooperate with SBRRB to identify existing rules hindering job creation and small business growth.

The department is reviewing rules to identify those that impact Wisconsin small businesses and determine which rules are suitable for repeal, modification or exemption in order to lessen the burden on Wisconsin small business without creating a negative impact on health, safety, welfare, agriculture, consumers or the environment. The department plans to submit the plan to SBRRB no later than June, 2013. Rules that do not impact Wisconsin small business are outside the scope of this plan.

Biofuels of Tomorrow

Kristy Moore, Renewable Fuels Association, spoke to the Board on renewable fuels standard implementation and ethanol impacts. In 2012, the US experienced the “most severe and extensive drought in at least 25 years” according to the US Department of Agriculture.

The drought reduced the corn crop size potential by 27 percent. The average yield was reduced from 166 bushels per acre in June to 123 bushels per acre in August. 52 percent of crop rated poor and very poor as of September 9 and was the smallest crop recorded in six years. The ethanol industry has responded to the drought impacts by dramatically reducing production.

Moore provided additional information related to the following:

- Renewable Fuels Standards (RFS)
- RFS waiver requests
- Impacts of RFS waivers
- Ethanol Industry Feed Production
- Relationship between corn prices and retail food prices and gasoline.
- Energy security and diversity
- Wisconsin’s ethanol industry
- Ethanol’s success

Board Member Reports

Mark Schlietwiler: The Lactose Plant and Cheese Plant expansions at BelGiosio Cheese are expected to be completed in the next 14-20 days. The acquisition of Park Cheese by BelGiosio Cheese is going well. The milk supply is good, and with higher milk prices, cheese prices are expected to increase.

Miranda Leis: Projects at Organic Valley are being planned for spring. Harvest in her area is finished.

John Koepke: Crop production in his area is variable, but the grain bins and silos are full.

Pam Garvey: Harvesting up north is complete, but the crop was not as good as hoped. Work in crop insurance is wrapping up as harvest is finishing. Garvey thanked and commended staff from the farm center staff for their support after the recent passing of her mother-in-law, who retired from the department five years ago.

Michael Dummer: In west-central Wisconsin, the vast majority of the harvest is complete. The crop was much better than expected, with soybeans at 50-80 bushels, and corn was also good. The corn seed is remarkable, even though costs are high. Buck Country Elevators are selling corn to 6 ethanol plants in Wisconsin and Iowa.

Richard Cates: Cates has 100 cattle grazing daily. The beginning farmer class started last week with approximately 40 students, including Will Hughes, former Division of Agricultural Development Administrator. On December 5, the Center for Integrated Agricultural Systems and the Aldo Leopold Foundation will co-sponsor the showing of the “Aldo Leopold Green Fire” film at the University of Wisconsin. Cates was asked by the Deans and the College of Agricultural Life Sciences (CALS) to serve as the director for the farm and industry short-course, the longest running curriculum at CALS. It is the season of thanksgiving and there is a lot to be thankful for.

Andy Diercks: The Alice in Dairyland Program toured his potato farm and others in the area to learn more about the industry. Harvest is complete in his area. Potato prices are not good, but the crop is. Meetings continue to discuss water issues in the central sands area.

Secretary’s Report

Secretary Brancel updated the Board on the following issues:

DATCP Budget for Fiscal Year 2014-2015

State agencies are required to lapse \$51 million for the 2014-2015 budget, with the department directed to cut \$1 million in permanent GPR. The department has proposed cuts to the following areas:

- Agricultural Development and Diversification grant program
- Buy Local Buy Wisconsin grant program
- Exposition Center grant program (funds cannot be expended from appropriation after June 30, 2014)
- Johnes Testing reimbursement
- County Staffing grants program

2013-2015 DATCP Biennial Budget Non-Standard Items Request

The department is proposing the following items for the 2013-2015 biennial budget to the Department of Administration:

- \$250,000 in continuing GPR for the premises registration program.
- \$7 million in bond authority for the Soil and Water Resource Management program to continue providing cost-share grants to landowners.
- Removal of Grazing Grant funding from the Agrichemical Management (ACM) fund and transfer Discovery Farms funding from the Agricultural Chemical Cleanup (ACCP) fund to the ACM fund.
- 20 percent reduction in ACCP surcharges deposited in the ACCP fund to reflect future expenditure levels.

- Change appropriation for the Dairy 30x20 from annual to biennial.
- Request limiting and modifying sampling provisions within the state statutes.
- Transfer Tank and Petroleum Testing program from the Department of Safety and Professional Services to DATCP.

2012 International Exports

From January to September, 2012, Wisconsin exported over \$2.2 billion worth of agricultural products to over 145 countries. This is a 4 percent increase from 2011. U.S. Exports of agricultural products totaled \$115 billion, a decrease of 1 percent compared to 2011. Wisconsin ranks 12th overall for agricultural exports, up from 17th in 2011. Wisconsin's exports of all products totaled \$17.3 billion which is an increase of 6 percent in 2011.

Feed Buyers Mission at World Dairy Expo

Last year at the World Dairy Expo, a feed buyers mission signed \$18 million in contracts. This year, \$33 million in contracts were signed by businesses.

Available Forages in Wisconsin

The Wisconsin Agricultural Statistics Services has performed preliminary work on forages available in Wisconsin for the livestock industry. Initial numbers show that forages readily available on the farm are between 50-65 percent, which means transportation costs will be incurred to move commodities from one location to another to meet the needs of the farm. The Governor formed a stakeholders group to advise him of future challenges expected within the next 5 months.

Future Schedule and Agenda Items

Jeff Lyon, Deputy Secretary, provided the Board with tentative monthly meeting dates for 2013. The Board is scheduled to meet on December 18, 2012 in Madison.

Adjournment

By unanimous consent, the Board adjourned at approximately 2:50 p.m.

Andy Diercks, Board Chair

John Koepke, Secretary